Economics 1 Answer Topics

Week 1

Exercise 1.4 d, 1.5 a, 1.6 c, 1.7 b, 1.8 d, 1.9 d, 1.10 b, 1.11 c, 1.12 d, 1.14 c, 1.15 b.

Exercise 1.13

a) Concave PPF, c-intercept is 10, b-intercept is 15.81.
b) Opportunity cost of brown paper in terms of copy paper, $C_{b,c}$=0.08b. When b=0, $C_{b,c}$=0; When b=15.81, $C_{b,c}$=1.264.
c) The PPF shifts out.
d) The c-intercept is the same, the rest of the PPF shifts in. $C_{b,c}$=0.1b.